Nova Scotia

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ANNUAL REPORT

for the fiscal year
ending March 31, 1990

Department of Municipal Affairs

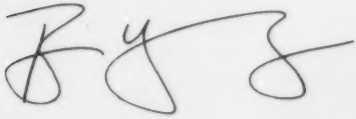
92-02123/

The Honourable Lloyd R. Crouse, P.C.
Lieutenant Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the seventeenth Annual Report of the Department of Municipal Affairs.

Respectfully submitted,



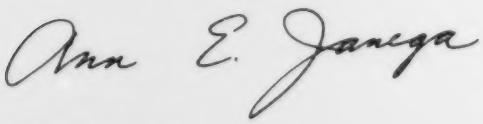
Brian Young

The Honourable Brian Young
Minister of Municipal Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Mr. Minister:

I take pleasure in presenting to you a report of the activities of the Department of Municipal Affairs, for the fiscal year ending March 31, 1990.

Respectfully submitted,



Ann E. Janega

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DEPUTY MINISTER'S OVERVIEW

The Department of Municipal Affairs provides municipal government in Nova Scotia with advice, guidance and assistance. It effectively administers the various financial programs available to the municipalities, as well as the many acts and regulations affecting municipal government. During the 1989-90 fiscal year the Department provided approximately $88.6 million to municipalities in the form of grants.

The Department provides a uniform and equitable system of property assessment, which is used as the basis for generating municipal property tax revenues.

It is also responsible for administering the Planning Act and the Building Code Act, and provides information and assistance on land use and community planning to municipalities and government departments.

In consultation with municipal government, the Department develops new and innovative policies and programs aimed at meeting the changing needs of municipal government. It strives to foster and maintain good provincial-municipal relations through effective cooperation and consultation. The Department works closely with the municipal governments of Nova Scotia to ensure that these objectives are realized.

TASK FORCE

The Joint Department of Municipal Affairs-Union of Nova Scotia Municipalities Task Force on Municipal Reform, referred to in the section covering the Policy Development and Research Division provides a valuable forum for the frank exchange of views and opinions. This Task Force has been instrumental in assisting the Department and the municipalities to better understand each other's concerns and interests.

FACT FINDING COMMITTEE

The Department provides technical advice and assistance to the Provincial-Municipal Fact Finding Committee also mentioned in the section covering the Policy Development and Research Division. The Committee meets on a regular basis to review and discuss all aspects of the duties and responsibilities of the two orders of government in the delivery and finance of services to the people of Nova Scotia.

The Department believes that, with the support, advice and cooperation of elected officials, the staff of the Union of Nova Scotia Municipalities (UNSM) and the UNSM's 66 member units, we can work together to provide a stronger and more effective municipal government for Nova Scotians.

MUNICIPAL GOVERNMENT IN NOVA SCOTIA

The term "municipality" in Nova Scotia has two distinct meanings. In one sense it means all local governments, as is usual elsewhere in Canada. In another sense, it means a municipality incorporated pursuant to the Municipal Act and often referred to as a rural municipality.

Every part of Nova Scotia is organized as a city, town, or rural municipality (see Figure 1.). The province is geographically divided into 18 counties. Twelve of these counties constitute separate municipalities. The remaining six counties are each divided into two districts, and each of these districts makes up a separate municipality. There are thus 24 rural municipalities constituted under the Municipal Act.

In addition to the rural municipalities, there are three cities incorporated under their respective city charters and 39 towns constituted pursuant to the Towns Act. While located within the boundaries of a rural municipality, the towns and cities are independent of the rural municipality, except with respect to joint expenditures. The 1986 population figures for Nova Scotia's 66 municipal units are shown in Table 1.

A number of independent or semi-independent boards and commissions, established either by provincial legislation or by municipal by-law, also provide various municipal services. Within a rural municipality, these organizations include:

(1) Village commissioners, incorporated under the Village Service Act for the purpose of providing municipal services to more densely populated areas of the rural municipality within their jurisdiction. There are currently 25 incorporated villages in Nova Scotia.

(2) Local service commissions, incorporated by special acts of the Legislature, generally for purposes of providing street lighting, fire protection, electricity and water.

(3) Rural fire district commissioners, incorporated under the Rural Fire District Act to provide fire protection within a designated area of a rural municipality.

Village commissioners, local commissions, rural fire district commissioners and some other special purpose bodies are authorized to levy taxes in addition to those levied by the rural municipality itself. In most cases these taxes are collected by the rural municipality. None of these special purpose bodies may be established in a town or a city.

In a number of cases, commissions and other special purpose bodies have been established in cities, towns and rural municipalities for specific purposes. These purposes include operating municipal facilities, for example a hospital, parking lot, utility, cemetery or rink; implementing municipal programs such as parks and recreation; or operating a joint municipal facility such as a courthouse. Generally, these commissions do not have the power to levy a tax and are financed directly by the municipal unit. It is estimated that there are more than 700 of these special purpose bodies throughout the province.

Education remains the largest single item of expenditure for most municipalities. As a result of legislation proclaimed in early 1982, all of the 85 municipal school boards that previously administered local education were consolidated into 21 district school boards comprised of one-third elected representatives, one-third municipal appointees, and one-third provincial appointees. Under the new system, school trustees may be elected from amongst the residents in a school section to assist the district school board in an advisory capacity. These trustees are now active in a number of areas.

The basic element of municipal finance is the property tax, together with a number of variants such as the occupancy tax. Also important to municipal governments are grants from the provincial and federal governments.

Details concerning the municipalities and many of the other organizations that provide municipal services, including school boards, are contained in the Department's *Annual Report of Municipal Statistics*.

FIGURE 1

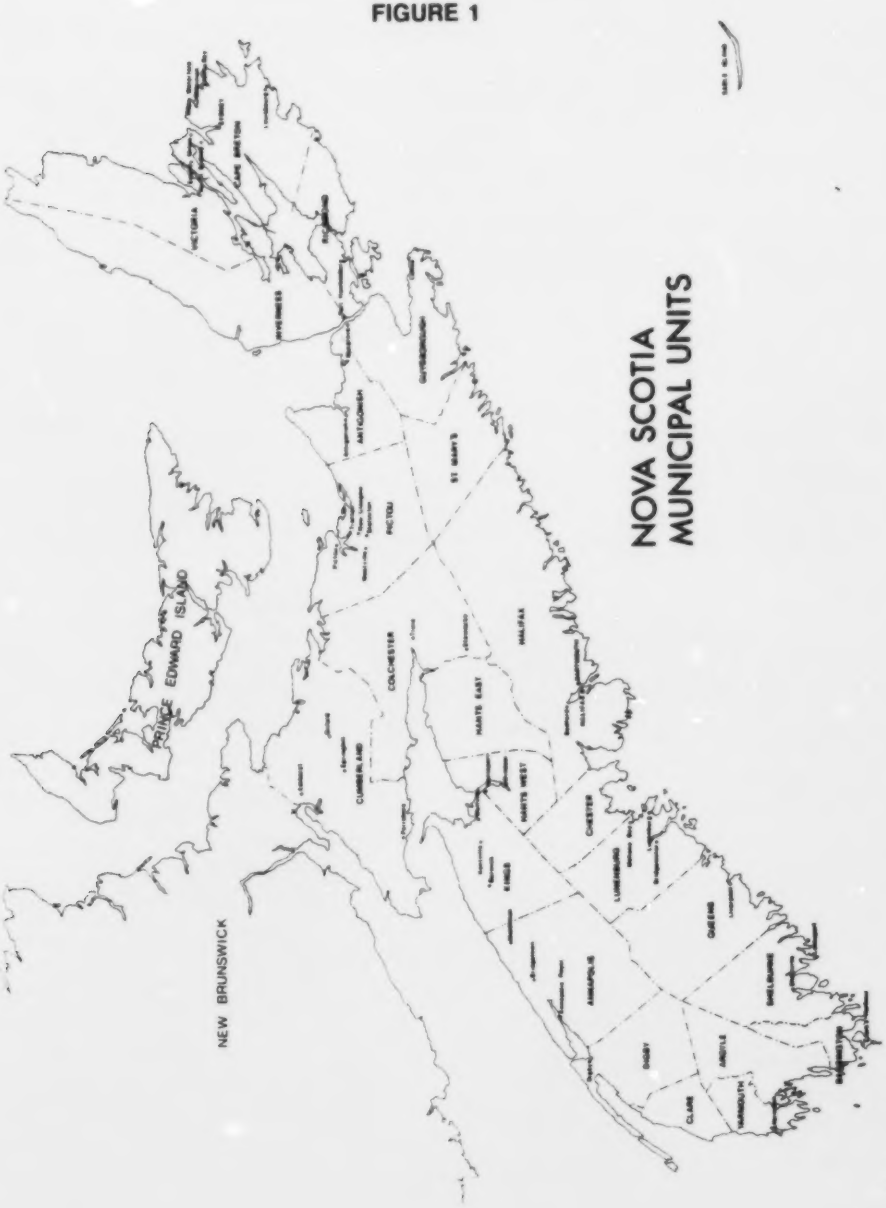

NOVA SCOTIA
MUNICIPAL UNITS
NEW BRUNSWICK
PRINCE EDWARD ISLAND
VICTORIA
CAPE BRETON
RICHMOND
INVERNESS
ANTIGONISH
GUYSBOROUGH
ST MARYS
PICTOU
COLCHESTER
HALIFAX
CUMBERLAND
HANTS EAST
HANTS WEST
KINGS
ANNAPOLIS
DIGBY
CLARE
YARMOUTH
CHESTER
LUNENBURG
QUEENS
SHELBURNE
ARGYLE

TABLE 1

NOVA SCOTIA MUNICIPAL UNITS 1986* POPULATION FIGURES

CITIES

Dartmouth	65,243
Halifax	113,577
Sydney	28,115
	206,935

TOWNS

Amherst	9,671	Mulgrave	1,051
Annapolis Royal	631	New Glasgow	10,022
Antigonish	5,291	New Waterford	8,326
Bedford	8,010	North Sydney	7,472
Berwick	2,058	Oxford	1,376
Bridgetown	1,118	Parrsboro	1,729
Bridgewater	6,617	Pictou	4,413
Canso	1,285	Port Hawkesbury	3,869
Clark's Harbour	1,098	Shelburne	2,312
Digby	2,525	Springhill	4,712
Dominion	2,754	Stellarton	5,259
Glace Bay	20,467	Stewiacke	1,265
Hantsport	1,357	Sydney Mines	8,063
Kentville	5,208	Trenton	3,083
Liverpool	3,295	Truro	12,124
Lockeport	917	Westville	4,271
Louisbourg	1,355	Windsor	3,665
Lunenburg	2,972	Wolfville	3,277
Mahone Bay	1,093	Yarmouth	7,617
Middleton	1,772		173,400

* Source: 1986 Census Data - Statistics Canada

TABLE 1 (Continued)

RURAL MUNICIPALITIES

Annapolis County	20,068
Antigonish County	13,485
Argyle District	9,055
Barrington District	7,824
Cape Breton County	47,073
Chester District	10,605
Clare District	9,740
Colchester County	31,704
Cumberland County	17,331
Digby District	9,587
Guysborough District	7,294
Halifax County	119,588
Hants East District	18,181
Hants West District	13,345
Inverness County	18,077
Kings County	42,732
Lunenburg District	25,196
Pictou County	22,724
Queens County	9,830
Richmond County	11,841
Shelburne District	5,365
St. Mary's District	3,091
Victoria County	8,704
Yarmouth District	10,401
	492,841
ALL TOTALS	873,176

THE DEPARTMENT

The Department of Municipal Affairs was established under the authority of the Municipal Affairs (Supervision) Act of 1935, to provide for the supervision of municipal accounts and records and to regulate municipal borrowing.

From its initial role as a watch dog over municipal finance, particularly municipal capital borrowing, the Department's role has greatly expanded. The Department of Municipal Affairs is now responsible for providing advice, guidance and assistance to municipal governments in Nova Scotia; for administering many of the provincial government's programs relating to municipalities; and for exercising general supervision of municipal affairs in the province. As part of its assistance to municipalities, the Department helps municipal units in the preparation and review of by-laws before they are submitted for the Minister's approval and in the preparation and issuance of debentures. Other areas of assistance include the preparation of all borrowing resolutions for capital projects, the development of programs as they relate to municipalities, and liaison with the federal government in areas that involve municipal activities. The Department is also responsible for producing annual assessment rolls which form the basis for municipal taxation.

In addition, the Department is actively involved in providing educational courses for municipal officials. In cooperation with the Dalhousie's Henson College of Public Affairs and Continuing Education, the Department sponsors a correspondence course in municipal administration. Departmental staff provide training programs for building inspectors and development officers.

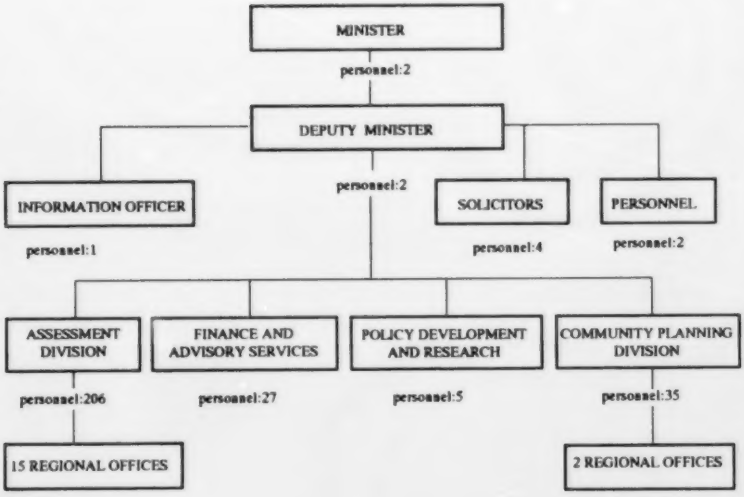
The Department of Municipal Affairs is made up of the Minister's Office, the Deputy Minister's Office and four divisions: Assessment, Community Planning, Finance and Advisory Services, and Policy Development and Research. The organization of the Department, as of March 31, 1990, is shown in Figure 2.

FIGURE 2

ORGANIZATIONAL CHART

Department of Municipal Affairs

March 31, 1990



ASSESSMENT

On January 1, 1976, the Province assumed complete responsibility for the assessment function. As a result, 1978 was the first year that all property in the province was assessed uniformly. The division continues to supply each municipal unit with a complete and accurate yearly assessment roll.

The Provincial Director of Assessment, who heads the Assessment Division of the Department of Municipal Affairs, is responsible for the administration of the Assessment Act in the Province of Nova Scotia. The Assessment Division, with a total staff of approximately 200, is comprised of 15 regional offices geographically located throughout the province, six sub-offices, and a head office located in Halifax (see Figure 3).

The regional office staff generally consists of assessors, assessment clerks and mapping technicians under the control of a regional director. Head office has two Assistant Provincial Directors, a coordinator of data control, three operations officers acting as support staff, and a technical unit consisting of an accredited chief appraiser, an accredited appraiser and a specially trained coordinator of manuals and special properties. The division also has the services of a solicitor located in head office who handles all legal matters.

The Province, through the Assessment Division, is responsible for property assessment in Nova Scotia. Under Section 42 of the Assessment Act, the following mandate is given:

> "All property shall be assessed at market value ... in forming his opinion the assessor shall have regard to the assessment of other properties in the town or municipality so as to ensure that taxation shall fall in a uniform manner upon all residential and resource property and in a uniform manner upon all commercial property in the town or municipality."

Once the property has been assigned an assessed value, this amount is recorded along with the values of all other properties in the city, town, or rural municipality, on a list that is known as the assessment roll. The roll contains the names, addresses and assessment values of all assessable properties in the municipal unit.

Under Section 52 of the Assessment Act, the Assessment Division is required to provide each municipal unit with a complete roll on or before December 31 of each year.

The 1990 assessment roll listed 485,567 property accounts found within 66 municipal units of Nova Scotia. Data from the 1990 assessment roll is shown in Table 2.

The assessment roll forms the basis for municipal property taxation which is the main source of revenue for the municipal units. Although property assessment is the responsibility of the provincial government, the actual property taxation function is solely the responsibility of each respective municipality.

Once the municipal budget is determined, the municipal unit will set the tax rate based on the assessed value of property in that unit, and consequently bill the ratepayers.

The assessment roll is also used by the Department's Finance and Advisory Services Division to administer the grant system under the Municipal Grants Act.

TABLE 2

1990 ASSESSMENT ROLL DATA

Classification	Number of Occurrences	Assessment Dollars
Residential	340,564	$18,390,124,842
Commercial	20,664	5,083,384,374
Commercial Equipment	1,148	708,935,589
Resource	84,127	762,902,552
Business Occupancy	23,859	1,958,645,946
Farm	23,215	299,202,385
Forest	50,373	509,886,204
Non-profit	133	15,001,301
Taxable Assessment		$26,903,993,303
Exempt Assessment		8,480,184,681
Total		$35,384,177,984
No. of Dwelling Units	363,272	
No. of Accounts	485,567	

Reassessment is conducted every three years and brings all properties to market values as of a new base date. The last province-wide reassessment was completed for the 1990 taxation year with a base date of January 1988.

As previously mentioned, the assessed value of all property is based on its actual market value. Since it would be physically impossible for each assessor to personally inspect every property in his or her jurisdiction on a yearly basis, the assessor must, during the intervening years between reassessments, continue to ensure that all properties are assessed uniformly.

The Department has established an inexpensive and accessible system for ratepayers to challenge or appeal their property assessment at the Regional Assessment Appeal Court. The Minister of Municipal Affairs appoints a Chairman and Vice-chairman in each assessment region who act as impartial chairmen during the relatively informal Regional Assessment Appeal Court proceedings. They are responsible for rendering a decision on each case. A ratepayer, if dissatisfied by a decision of the Appeal Court, may then appeal to the Municipal Board and subsequently to the Supreme Court of Nova Scotia on matters of law only.

The Regional Assessment Appeal Court Recorder is located in each of the regional offices with the exception of the Shelburne-Queens region, where the Recorder is located in the Liverpool sub-office. The Recorder is responsible for many of the duties in the appeal process formerly performed by the Municipal Clerk. The Recorder is detached from the assessment function during the appeal period and is ultimately responsible for ensuring that all appeals launched by the ratepayers are processed according to the Assessment Act.

To ensure and maintain the integrity of the assessment data, the Department, in consultation with a private auditing firm, has developed a comprehensive audit program designed to test the adequacy of internal controls over the property assessment system. The ultimate aim of the Department of Municipal Affairs is to create an assessment system with internal controls that can be relied upon by external auditors in their examination of the accuracy and completeness of the assessment data in the computer system. This analysis extends to the annual assessment roll

that forms the basis of property taxation conducted by the municipal units.

The thrust of this audit program is towards the achievement of consistency in the 15 regional offices with regard to current assessment practices and the overall strengthening of internal controls. As a result of a recommendation from the 1981 external audit report, the Assessment Division implemented an internal audit. This internal audit, which augments the audit program, is based on the same procedures and objectives as the external audit.

In 1982, Henson College at Dalhousie University conducted a training needs analysis of the three-year correspondence course in property assessment and the one-year advanced course on urban land economics. As a result of this analysis, a complete course revision was recommended. In conjunction with Henson College, the Assessment Division developed a four-year certificate program in property assessment. The program is designed to accommodate three groups (new employees, seasoned assessors and senior management). It is intended to complement the training that the assessors will receive on the job, through individual work experience and through professional studies and activities. Registration for the 1989-90 academic year had an enrolment of over 70 assessment personnel.

The Assessment Division is also involved with a Trans-Canadian Assessment Training Program Steering Committee. This Committee is comprised of equal representation of both educational institutions and assessment jurisdictions from all provinces and territories. The primary purpose of the Committee is to develop a comprehensive national training program for assessors. This committee continues to meet to further pursue this goal.

In September of 1987, the Assessment Division acquired a Computer Assisted Mass Appraisal system called OASIS (On-line Appraisal and Statistical Information System). The division is implementing two OASIS sub-systems, ATR (Administrative Tax Roll) and AA (Appraisal and Analysis).

The ATR sub-system has been in operation in all 15 regional offices since mid 1988. The Assessment rolls and related administrative data have been maintained and produced from ATR since then.

The AA sub-system is at various stages of implementation throughout the province. Eight offices have had the data from their field record cards transferred into the AA sub-system. By early 1991 the other seven regions will have completed the data transfer. Six regional offices are currently implementing the AA sub-system and two regions, Hants and Lunenburg, are fully operational on OASIS.

The 37th Annual Assessors' School was held in April 1989. The primary purpose of the annual school is to improve the quality of assessment in Nova Scotia through a comprehensive program of seminars. The 1989 school focused mainly on the fundamental workings of the division's new computer-assisted mass appraisal system (OASIS). Sessions were held for mapping technicians which included stress management and an OASIS update. Senior management (both regional directors and senior assessors) participated in the first of seven modules in the division's Management and Supervisory Development Programs.

In 1983 the Assessment Division established two awards to be presented annually to the top assessment region of the year and to the assessor of the year. At the 1989 Annual Assessment School the Dr. Hugh S. MacGlashen Award for the top region of the year was presented to the Hants Assessment Region, and the Kevin J. MacDonald Award for Assessor of the Year was presented to Theresa Snow from head office.

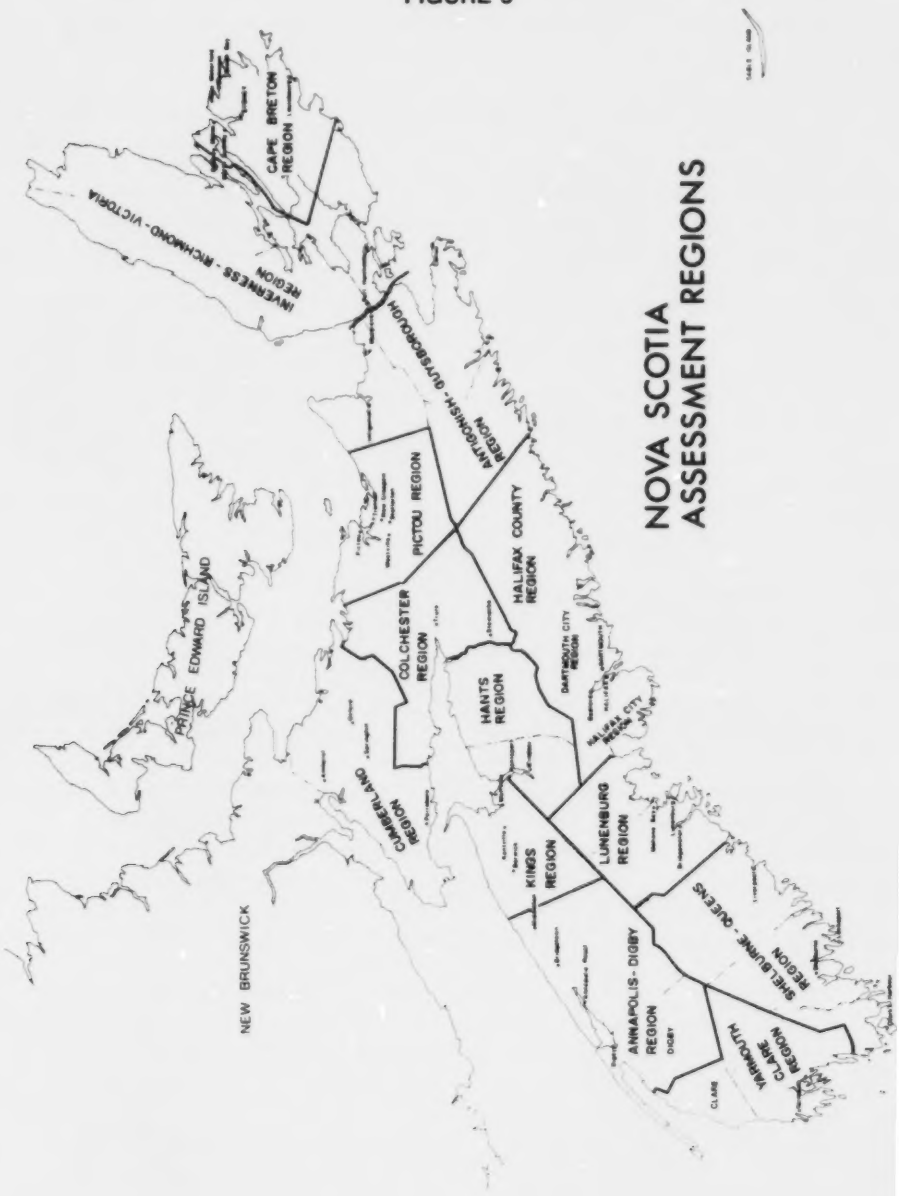
Legislation introduced at the spring session of the Legislature (Bill 121) established a Provincial Deed Transfer Tax, effective July 1, 1990. The tax is administered by the Department of Municipal Affairs. The Department of Attorney General is responsible for its collection at the registries of deeds. The tax is paid before a deed can be registered and a completed Provincial Deed Transfer Tax form must accompany the deed.

The Provincial Deed Transfer Tax will be paid on two classifications of real property; residential and commercial, as defined by the Assessment Act and taxed according to the classifications as determined on the last filed Assessment Roll. A tax rate of 2 per cent will apply to that portion of

the residential property sales price that exceeds $100,000. In the case of commercial properties, the 2 per cent will be applied to the total sales price.

The act provides a process for appeal if a notice of objection is filed disputing the liability for payment of the tax. The appeal will be reviewed by the Director and if pursued, forwarded to the Nova Scotia Municipal Board for a decision.

FIGURE 3


NOVA SCOTIA
ASSESSMENT REGIONS
CAPE BRETON REGION
INVERNESS - RICHMOND - VICTORIA REGION
ANTIGONISH - GUYSBOROUGH REGION
PICTOU REGION
COLCHESTER REGION
HALIFAX COUNTY REGION
DARTMOUTH CITY REGION
HALIFAX CITY
HANTS REGION
CUMBERLAND REGION
KINGS REGION
LUNENBURG REGION
SHELBURNE - QUEENS REGION
ANNAPOLIS - DIGBY REGION
DIGBY
CLARE REGION
YARMOUTH
CLARE
PRINCE EDWARD ISLAND
NEW BRUNSWICK

COMMUNITY PLANNING

The Community Planning Division is responsible for the administration of the Planning Act and the Building Code Act, and for the provision of information and assistance in the land use and community planning field to municipalities, government departments and interested individuals and organizations.

Through liaison with local planners, the division provides advice on initiation and development of a municipal planning strategy, and on general planning matters. In municipalities that do not have specialized planning capabilities, the division has initiated planning processes by increasing community awareness about planning, and assisting in the resolution of specific planning-related problems. In certain circumstances, at the request of the municipal council, the division has taken a more direct part in the preparation of the planning strategy and land use by-law.

During the fiscal year, new municipal planning strategies and land use by-laws were approved for the Town of New Glasgow, the communities of Port Hood and Cheticamp in the Municipality of Inverness, the Rodney Lake Watershed area in the Municipality of Shelburne, and for District 19 in Cape Breton County. A revised plan and by-law was approved for the Town of Annapolis Royal. As well, 46 sets of amending documents were approved by the Minister following a planning and legal staff review.

The division also provides information and professional and technical support to other divisions and departments on land use policy, programs and projects. This includes background work in several areas of provincial interest, coordinated through the Province's Land Use Policy Committee, related to the possible preparation of provincial land use policies under the Planning Act.

An extensive map library enables the provision of base maps and information on existing land use, central sewer and water systems, and other land information to governments and the general public.

The division administers provincial subdivision regulations affecting the dividing of land parcels in 19 towns and 14 rural municipalities. These regulations are administered by provincial development officers located in Sydney, Port Hawkesbury, Stellarton, Halifax, Bridgewater, Annapolis Royal and Yarmouth. The remaining 33 municipalities administer their own subdivision by-laws.

The Department provides cost-sharing and staff assistance for municipal planning services to many municipal units in the province. Direct financial support to individual municipal units during this fiscal year amounted to $648,286, while the Department's support to District Planning Commissions totalled $720,842. An additional $410,734 of cost-sharing was provided to those municipalities which are involved with one or more other municipal units in jointly administering the province-wide Building Code.

The division supports the Department of the Environment, which has primary responsibility for the administration of the Canada-Nova Scotia Flood Damage Reduction Program, with members serving on the steering and technical committees.

Staff members of the Provincial Planning Section of the Community Planning Division have undertaken a variety of projects related to provincial initiatives. Generally these fall into three areas of activity:

(1) consultations with other provincial departments to resolve issues related to land use and development,
(2) studies, maps and reports respecting land use matters of provincial interest, and
(3) advice and assistance on water and sewer servicing projects involving provincial funds.

Much of the coordination of provincial activities and policies in the area of land use and development is undertaken through the Provincial Land Use Policy Committee. In the past year, subcommittees were involved in deliberations related to agricultural land use policy, economy/environment integration, floodplain risk reduction, wildlife habitats, water resources, land information, and soil and water conservation.

Within the division, staff members were involved in developing procedures for the adoption of Provincial Land Use Policies, identifying land use issues of provincial interest, overseeing studies related to transportation planning and metropolitan development, and preparing maps related to specific projects relevant to land use and urban development issues.

Staff continue to provide engineering assistance and advice concerning water and sewer servicing needs as required by municipal units. Engineering input is also available for the evaluation of municipal applications for financial assistance under the Provincial Capital Assistance Program and in support of the Halifax Harbour Clean-up Project.

DEPUTY MINISTER'S OFFICE

The Deputy Minister's Office is served by three sections: Personnel, Legal Services and an Information Officer.

LEGAL SERVICES

The Department's solicitors provide legal counsel and services to the Department on matters within the scope of the legislation it administers. Most by-laws adopted by municipal councils require the approval of the Minister of Municipal Affairs and are reviewed by the solicitors prior to approval.

Borrowing resolutions for capital purposes are prepared by the Department in consultation with its solicitors. The resolutions are sent to the municipal unit for adoption by the council and then returned for ministerial approval. Various resolutions passed by municipal councils which require approval are also reviewed by the solicitors prior to approval.

On request, the Department's solicitors provide information concerning municipal statutes to municipal officials, other government departments, and the public in general. Consultative services are also provided to municipal solicitors.

PERSONNEL

The Personnel section advises and assists the Deputy Minister and divisional managers in the selection, development, and effective utilization of human resources for the Department. This section also administers all employment-related legislation and contractual agreements and provides payroll and personnel benefit services.

INFORMATION OFFICER

The Department's Information Officer provides information to the public and other government departments and agencies on the activities and programs of the Department. This person assists in the development and implementation of the Department's communication initiatives.

The Information Officer annually produces both the Department's annual report and the booklet, *Financial Assistance Programs for Nova Scotia Municipalities*.

Each year, during the month of May, the Information Officer organizes Municipal Awareness Week and encourages the participation of all municipal councils.

FINANCE AND ADVISORY SERVICES DIVISION

The main objectives of the Finance and Advisory Services Division are:

1. to administer the Municipal Grants Act which provides both operating and capital grants to municipalities

2. to administer other statutes and programs which provide for financial assistance to municipalities such as the Provincial Capital Assistance Program, Urban Transit Support Program, Special Projects and other grants

3. to provide daily financial and administrative control over the Department's internal operation

4. to provide advice, assistance and direction to municipalities in the area of finance and administration.

These objectives are met by assigning specific responsibilities to each of the six sections that make up the division. These sections are finance and administration, statistics and systems, urban transportation, municipal training, management information systems, and municipal advisory services.

The division participates in the activities of:

1. Joint DMA-UNSM Task Force

2. Intergovernmental Conferences on Local Government Information Development

3. Nova Scotia Municipal Finance Corporation

4. Regional Assessment Appeal Court Committee

5. Urban and Regional Information Systems Association

6. Joint Committee on the Certificate Course in Municipal Administration

7. Canadian Institute of Chartered Accountants, Public Sector Accounting and Auditing Committee

8. Various working committees within the provincial government

FINANCE AND ADMINISTRATION

Finance

The Municipal Grants Act was passed in 1980 to improve upon and replace the Municipal Services Act. The act sets guidelines for the administration, calculation and distribution of payments of the consolidated funding for capital and operating grants throughout Nova Scotia's municipal units. The operating grant is an unconditional transfer and is based on expenditure need and the ability to pay. The distribution of the capital grant is based on expenditure need and the funding may be used for all capital purposes except education, health, social services, and the administration of justice. In the 1989-90 fiscal year, the operating grant amounted to $30.1 million while the capital grant totalled $23.2 million.

The Municipal Grants Act also provides other funding in the form of a grant in lieu of taxes on provincially owned property in an amount equal to full taxes. Provincial properties for which no grants are paid are hospitals, educational institutions and correctional facilities. An exception to this is a payment of a grant in lieu of taxes paid in the amount of 40 per cent of full taxes that would be payable as residential property of post-secondary educational institutions and hospitals. Total funding for payments of this type amounted to $10.4 million for the 1989-90 fiscal year.

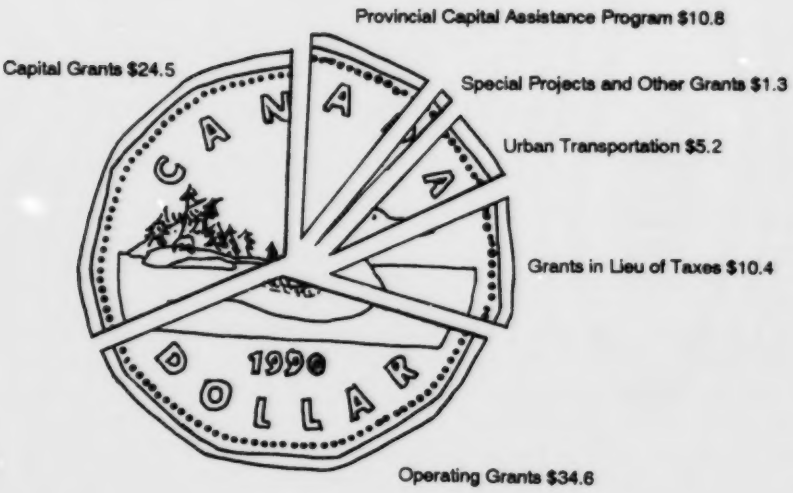
The Municipal Grants Act allows the Minister, with the approval of the Governor in Council, to provide financial assistance to individual municipalities in cases where the unit faces extraordinary financial difficulty. During 1989-90, this assistance amounted to $4.5 million.

A breakdown of dollars distributed through the division's various grant programs is shown in Figure 4 and Table 3.

Provincial Capital Assistance

In 1981, the Executive Council approved and established a Provincial Capital Assistance Grant to replace the existing Provincial Supplementary Capital Grant with the prime purpose of assisting Nova Scotia's municipal units with water and sewer projects. In 1988, the Executive Council approved the expansion of this program for funding in the amount of $50.0 million over a five-year period. Funding in the 1989-90 period amounted to $10.8 million.

FIGURE 4



Other Grants

Other grants or assistance are also provided under the category of discretionary and legislative grants and are distributed only after careful consideration and review of the projects concerned and the funding available. This amounted to $1.3 million in the 1988-89 fiscal year.

TABLE 3

GRANT PROGRAMS
(in millions of dollars)

	1988/89 Actual	1989/90 Estimate	1989/90 Actual
Ordinary Expenditures:			
Municipal Grants Act			
Operating Grant	34.9	34.4	34.6
Debt Servicing	10.6	10.0	10.0
Grant in Lieu Taxes	9.3	9.7	10.4
Special Projects & Other Grants	1.3	1.2	1.3
Urban Transit Program	3.6	3.7	3.7
Total Ordinary Expenditures	59.7	59.0	60.0
Capital Expenditures			
Provincial Capital Assistance	8.0	9.8	10.8
Municipal Grants Act - Capital	12.6	13.2	13.2
Urban Transit Program	1.4	1.9	1.5
Other Capital	3.0	1.3	1.3
Total Capital Expenditures	25.0	26.2	26.8

Administration

The Administration section is responsible for internal financial management and administration of central functions within the Department.

Of primary importance is the preparation of the Department's annual budget and assistance provided to divisions during the budget process. Proper accounting and auditing procedures are in place to ensure accurate control and recording of all expenditures, revenues and recoveries. The Department's financial position is constantly monitored through monthly forecasting to ensure up to date information for senior management.

In addition to the above, this section acquires all equipment, furniture and supplies for the Department's head office and its regional offices. It also provides office accommodations necessary to ensure that working conditions and job-related environments are conducive to greater staff satisfaction and productivity.

Besides administering the policies and directives of government, this section also coordinates the provision of many centralized services, in particular, payment of accounts, the records management program, inventory control and word processing.

Statistics and Systems

The Statistics and Systems section is responsible for the development and coordination of accounting, auditing, and reporting systems for municipalities based on standards of consistency and uniformity. Staff collect and compile financial and other statistical information annually from the reports submitted by local governments. This information is used to estimate and verify grant entitlements, analyze the financial condition of municipalities, and research new proposals for provincial-municipal grant programs and for the annual publication of the booklet *Municipal Statistics*.

In addition, the section annually provides municipal financial information to Statistics Canada for both their Economic Analysis and Financial Management Series and to the Department of Finance for inclusion in the calculation of the equalization payments for Ottawa.

The Statistics and Systems section periodically reviews and updates the *Municipal Accounting and Reporting Manual* and also interprets and explains the manual for municipal auditors and municipal administrators. Annually, the section reviews applications of individuals and firms wishing to be registered as municipal auditors, and recommends those qualified to the Minister.

This section also develops the standard expenditure per dwelling unit for each of the five classes of operating and capital grants payable under the Municipal Grants Act.

Municipal Training

The Municipal Training section provides a number of training programs for municipal employees on a regular schedule.

Building code courses for building inspectors attract participants from Atlantic Canada and beyond, and serve a variety of agencies. In addition, certification programs for both Atlantic Canada building inspectors and development officers are managed by the training section.

Current information on building codes, standards, construction methods and test data on new building products are maintained in this section, and matters relating to building codes are dealt with by them. Staff members represent the Department on a number of advisory councils, and provide secretarial services are provided to the Atlantic Building Officials Council.

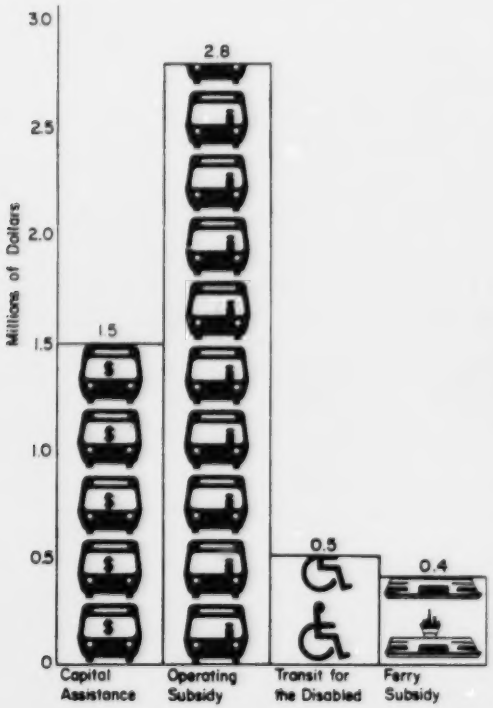
Consultation on program design and learning activities for seminars and conferences is provided to diverse municipal groups and a liaison is maintained through educational advisory groups.

Urban Transportation

The Department's Urban Transportation section provides financial assistance to regional transit agencies to help public transit make an effective contribution towards the social, economic and mobility needs of all citizens. On an ongoing basis this section works closely with management of local transit agencies in an attempt to improve scheduling, service delivery and enhance overall productivity.

During 1989-90 a total of $5.2 million in grants and assistance was paid for urban transportation throughout the province. Figure 5 provides a breakdown of the amounts paid under the various components of the Urban Transit Program.

FIGURE 5



URBAN TRANSIT SUPPORT PROGRAMS

Management Information Systems

The Management Information Systems (MIS) section is responsible for coordinating and implementing all electronic data processing (EDP) projects of the Department. It acts as a resource for all divisions and works closely with other government departments to ensure that EDP plans are met in the most cost-effective manner.

During the past year the Department continued to build on progress previously made in this area. The Department continued implementation of a computer-assisted property appraisal system which, when fully implemented, should greatly enhance the ability of the Assessment Division to produce equitable property assessments. The Department also continued to upgrade its computer hardware and communications facilities throughout the province. Staff orientation and training, to ensure productive use of EDP resources, continues to be a major activity within the MIS section.

Within the Department's head office, use of microcomputers has continued to grow as benefits from their application in new areas are determined. Two staff members were added during the year to further support the Department's activities in the MIS area.

Municipal Advisory Services

Municipal Advisory Services personnel provide advice, assistance and direction to the 66 municipal units in Nova Scotia in the areas of finance and administration.

Responsibilities of this section extend to all municipal operations including boards, commissions and agencies. Personnel are involved on an ongoing basis with the financial management process which includes budgeting, accounting and reporting. Staff evaluate requests for operating and capital project funding, arrange capital financing, and advise municipal units on administrative concerns and policy matters.

Advisory Services staff visit municipal units regularly to advise both appointed and elected officials of any provincial policy changes that relate to municipal units and to keep informed of municipal concerns and

viewpoints.

Each year special studies and programs are undertaken in the areas of financial planning, administrative studies, provision of municipal services, training, tax concessions and municipal policy. Frequently the division is responsible for preparing a special report on a municipal unit that deals with some or all aspects of its financial or administrative status.

Financial Management

To arrive at an annual budget, municipal units must initially estimate all expenditures and revenues, other than tax revenues, for the upcoming year. Any excess of expenditures and non-tax revenues must be recovered through the tax levy to be assessed to property owners, resulting in a tax rate and property taxes. The Division assists municipal units by reviewing annual estimates with municipal staff and councils. Inflationary pressures, capital projects, new service offerings, rates of growth and the size of the assessment base all have an impact on municipal budgets. Some of the budgetary reviews involve advice and recommendations to staffs and councils that promote a process of continuous discussion and feedback. In other cases, when a specific request for emergency funding is made, the budget review includes recommendations to the Minister with regard to additional financial assistance.

Staff of this section are responsible for providing advice to municipal units on accounting matters and explaining the provisions of the *Municipal Accounting and Reporting Manual*.

The division assists municipal units in establishing financial reporting systems and in some cases requires that these financial reports be submitted to the Department on a regular basis.

Capital Programs and Budgets

Each municipal unit is requested to prepare a three-year capital budget which outlines its capital expenditures and sources of revenue for that period. In addition to helping municipal staff complete the required documentation, staff now assist councils in setting long-term goals and identifying a timetable of capital projects to achieve these goals.

Evaluating Municipal Requests for Special Funding

Staff of this section evaluate requests for emergency operating funding each year. These evaluations include an indepth study of the municipal unit's proposed operating budget, comparison with other municipal units' budgets, and recommendations regarding budgetary revisions and the amount of emergency assistance to be provided.

Evaluating Municipal Requests for Capital Funding

A number of applications under the Provincial Capital Assistance Program for cost-sharing of water and sewer projects are made annually. Staff of this division prepare a financial evaluation of each project in terms of sources and cost of financing and the municipal unit's ability to pay its share of project costs.

Interim and Long Term Financing

Liaison with municipal units from the time a capital project is initiated through to project completion is an ongoing activity.

Capital projects result in costs which affect municipal operating estimates and generate subsequent increases in tax rates or user charges. The section is often called on to evaluate the capital financing alternatives available to the municipalities. Financial implications and the impact on the tax rate are projected through the municipal operating estimates and an assessment is made of a municipality's ability to borrow.

This section prepares temporary capital borrowing resolutions which the municipal units use to borrow from a trust company or bank for a proposed municipal project. After completion, long-term financing is

provided to the municipality by the Municipal Finance Corporation. This section is responsible for the necessary coordination and documentation associated with these debenture issues. The Corporation borrows the money, with the guarantee of the Province, and subsequently lends the funds to the municipal units.

There are normally two debenture issues each year (spring and fall). In 1990 the Corporation borrowed over $103 million in debenture funds which were reloaned to municipalities, school boards and hospitals.

Training

Municipal Advisory Services personnel assist with the training of municipal staff on an ongoing basis. Two examples are training and information sessions for village clerk-treasurers and orientation sessions for new council members.

POLICY DEVELOPMENT AND RESEARCH

The Policy Development and Research Division was established in 1974 in response to a growing need within the Department for an increased capacity to develop, through research and consultation with affected parties, policies and programs aimed at resolving the various problems arising from changing needs in municipal government.

This division is responsible for the formulation of policy and operational alternatives for consideration by the Department, the government, and where appropriate, the municipalities, and for making recommendations thereon. It is also responsible for research to be used as the basis for policy decisions. It monitors current and proposed policies and programs at all government levels that affect municipal government in Nova Scotia and brings to the attention of the Department and the Minister actual or potential problem areas. The division is also required to formulate and advance a range of alternative solutions or policies, with respect to identified problems together with recommendations for implementation by the Department or government.

TASK FORCE

The Task Force (formally known as The Joint Union of Nova Scotia Municipalities-Department of Municipal Affairs Task Force on Municipal Reform) consists of the Executive Director, financial consultant and solicitor from the Union of Nova Scotia Municipalities, the Province's financial consultant to the Provincial-Municipal Fact Finding Committee, and senior staff from the Department. The Task Force spent a busy and informative year investigating and discussing various areas of common interest to provincial and municipal levels of government. The division continues to spend a considerable amount of effort in preparing working documents for the Task Force. The Task Force meets regularly to examine present and projected areas of mutual concern. Its emphasis is on providing an effective vehicle for the ongoing development of policies and programs that will ensure a continuing and responsible system of municipal government in Nova Scotia.

PROVINCIAL-MUNICIPAL FACT FINDING COMMITTEE

Established in 1984, the Provincial-Municipal Fact Finding Committee meets regularly to review matters related to provincial and municipal responsibilities for the delivery and financing of services to Nova Scotians.

Chaired by the premier, the Committee is comprised of four members of the Executive Council including the Minister of Municipal Affairs and six representatives of the Union of Nova Scotia Municipalities including its four executive officers. Two independent advisors provide advice and assistance to the provincial and municipal representatives respectively. Staff of the Department's Policy Development and Research Division act as the Committee's executive secretary.

BY-LAWS COMMITTEE

Division staff are currently examining Committee recommendations pertaining to by-law powers in the Municipal Act and the Towns Act to assist the Department in setting its legislative priorities for the upcoming year.

CIVIC STATUS STUDIES

An issue of considerable significance concerns requests to the Department for studies of the effects of a change in civic status by a few communities. In the current year, this has required the active attention of the division in examining the financial impact of proposed changes to the municipal status of a metro community and reviewing the implications from the study with community and municipal representatives.

OTHER AREAS

This division continues to provide the Department's representative on the Intergovernmental Committee on Urban and Regional Research. In addition, staff of the division serve as the liaison between Statistics Canada and the Province with respect to municipal boundaries.

Over the past year the division continued to monitor legislative and research activities of other municipal and provincial governments across Canada. It also provided assistance to students and members of the general public who had specific requests for information regarding municipal affairs and provincial-municipal relations in Nova Scotia and Canada. The departmental library, which falls under the division's auspices, continues to assist those seeking information on municipal government.

LEGISLATION

Assessment Act and Regulations
Building Access Act
Building Code Act
Deed Transfer Tax Act
Ditches and Water Courses Act
Fences and Impounding of Animals Act
* Industrial Commissions Act
Louisbourg District Planning and Development Commission Act
* Metropolitan Authority Act
Municipal Act
Municipal Affairs Act
Municipal Board Act
Municipal Boundaries and Representation Act
Municipal Conflict of Interest Act
Municipal Elections Act
Municipal Finance Corporation Act
Municipal Grants Act
* Municipal Housing Corporation Act
Municipal Loan and Building Fund Act
Peggy's Cove Commission Act
Planning Act and Regulations
Regional Transit Authority Act
* Rural Fire District Act
Sheep Protection and Dog Regulation Act
Shopping Centre Development Act
Stray Animals Act
* Time Definition Act
Towns Act
Village Service Act

Copies of these Acts are available from:

The Nova Scotia Government Bookstore
P. O. Box 637
One Government Place
1700 Granville Street
Halifax, Nova Scotia
B3J 2T3

(902) 424-7580

Copies of acts marked with an asterisk (*) are not available at the bookstore but can be obtained through the Department of Municipal Affairs and the Legislative Library.

CHANGES IN LEGISLATION
SPRING SESSION 1990

AMENDMENTS

Assessment Act

Amended to phase out the tax on machinery and equipment beginning in 1995 at 10 per cent and in 10 per cent increments until 2004 when the tax is phased out completely. The tax for all years is to be calculated on the machinery and equipment assessment for 1994. Machinery and equipment acquired after December 1, 1988, is not assessed.

Financial Measures Act

Provides for a provincial deed transfer tax of 2 per cent to be levied on transfers, on or after July 1, 1990, of commercial property and residential property. The tax is levied on the sale price of commercial property and on the portion of the sale price of residential property that exceeds $100,000. Certain transfers are exempt.

Municipal Affairs Act

This change permits a council to have an investment policy for surplus monies. The policy must be approved by the Minister of Municipal Affairs and investments need not be confined to investments authorized by the Trustees Act.

Municipal Elections Act

Amended to define advance polling day as the Tuesday immediately preceding ordinary polling day and the council can, by resolution, designate the second Thursday and the Saturday immediately preceding ordinary polling day as additional advance polling days.

Municipal Fiscal Year Act

This changes the fiscal year for municipal units and all boards and commissions of municipalities to coincide with the fiscal year of the Province. The fiscal year 1991-92 is 15 months, running from January 1, 1991 to March 31, 1992.

Municipal Grants Act

The grant in lieu of property taxes paid to municipal units in 1990 was frozen at the 1989 level. The total operating grant fund for the year 1990 was be increased by 5 per cent over the amount of the operating grant fund for 1989, but it covers a 15-month period (transition year). The capital grant fund for 1990 was frozen at the 1989 level.

PRINTED MATERIALS

Department of Municipal Affairs Annual Report
- No Charge

A general overview of the Department and its activities.

Department of Municipal Affairs Annual Report of Municipal Statistics
- $3.00

First published in 1909 under the Department of the Provincial Secretary, this document provides extensive statistical information, primarily financial, about municipal government in Nova Scotia.

Financial Assistance Programs for Nova Scotia Municipalities
- $3.00

A complete list of the various grants available to municipalities in Nova Scotia from both provincial and federal government departments and agencies.

Nova Scotia Municipal Board Decisions, 1986
- $10.00 (two volumes)

A Guide to Legislation Relevant to Planning in Nova Scotia
- $10.00

A general outline and reference source of various acts affecting planning in Nova Scotia.

These publications are available from:

The Nova Scotia Government Bookstore
One Government Place
1700 Hollis Street
P.O. Box 637
Halifax, Nova Scotia
B3J 2I3

(902) 424-7580

HEAD OFFICE

	Area Code (902)
Minister's Office	424-5551
Deputy Minister's Office	424-4100
Administrative Services	424-5666
Assessment	424-5671
Community Planning	424-4091
Finance and Grants	424-6642
Library	424-5965
Municipal Advisory Services	424-5760
Municipal Training Services	424-8046
Personnel Manager	424-2717
Policy Development & Research	424-5901
Solicitors	424-7578

REGIONAL ASSESSMENT OFFICES

ANNAPOLIS-DIGBY REGION
(Municipalities of Annapolis and Digby; Towns of Annapolis Royal, Bridgetown, Digby and Middleton)

Annapolis Royal, Annapolis Co.
IGA Complex
1st Floor
St. Anthony & Lawrence Street
P.O. Box 237
B0S 1A0
532-2374

ANTIGONISH-GUYSBOROUGH REGION
(Municipalities of Antigonish, Guysborough, and St. Mary's; Towns of Antigonish, Canso and Mulgrave)

Antigonish, Antigonish Co.
42 West Street, Suite 116
B2G 2H5
863-7360 & 863-7361

Guysborough, Guysborough Co.
1st Floor, Municipal Building
B0H 1N0
533-2154

CAPE BRETON REGION
(City of Sydney; Towns of Glace Bay, New Waterford, Dominion, Louisbourg, Sydney Mines North Sydney; Municipality of Cape Breton)

Sydney, Cape Breton Co.
Civic Centre, P.O. Box 1178
B1P 6J9
563-2150

COLCHESTER REGION
(Municipality of Colchester; Towns of Truro and Stewiacke)

Truro, Colchester Co.
201 Queen Street, P.O. Box 433
B2N 5C5
893-5800

CUMBERLAND REGION
(Municipality of Cumberland; Towns of Amherst, Springhill, Oxford and Parrsboro)

Amherst, Cumberland Co.
1st Floor
34 Prince Arthur Street
P.O. Box 4
B4H 3Y6
667-3397 & 667-3398

DARTMOUTH CITY REGION
Dartmouth, Halifax Co.
Metropolitan Place, Suite 1050, 99 Wyse Road
B3A 1L9
424-5864

HALIFAX COUNTY REGION
(Municipality of Halifax Co.; Town of Bedford)

Armdale, Halifax Co.
2nd Floor, Municipal Building
2750 Dutch Village Road
P.O. Box 300
B3L 4K3
453-7625

HALIFAX CITY REGION
Halifax, Halifax Co.
7th Floor
Royal Bank Building
George Street
Halifax, Nova Scotia
B3J 1M7
424-5225

HANTS REGION
(Municipalities of East and West Hants; Towns of Windsor and Hantsport)

Windsor, Hants Co.
Corner Gerrish & Grey Streets
P.O. Box 188
B0N 2T0
798-8337

Milford, Hants Co.
1st Floor, Municipal Building
P.O. Box 190
Shubenacadie, B0N 1Y0
758-2290

INVERNESS-RICHMOND-VICTORIA REGION
(Municipalities of Inverness, Richmond
Victoria; Town of Port Hawkesbury)

Port Hood
2nd Floor, Court House
P.O. Box 98
B0E 2W0
787-2288

Baddeck
2nd Floor, Court House
B0E 1B0
295-3230

Arichat
1st Floor, Court House
B0E 1A0
226-3688

KINGS REGION
(Municipality of Kings; Towns of Kentville, Wolfville and Berwick)

Kentville, Kings Co.
Municipal Building
Cornwallis Street
P.O. Box 394
B4N 3X1
679-6106

LUNENBURG REGION
(Municipalities of Lunenburg and Chester; Towns of Lunenburg, Bridgewater and Mahone Bay)

Bridgewater, Lunenburg Co.
99 High Street
Room #203
B4V 1V8
543-2267 & 543-0529

Chester, Lunenburg Co.
Municipal Building
B0J 1J0
275-3554

PICTOU REGION
(Municipality of Pictou; Towns of New Glasgow, Trenton, Stellarton, Westville and Pictou)

New Glasgow, Pictou Co.
151 Provost St.
B2H 2P6
755-7100 & 755-7111

SHELBURNE-QUEENS REGION
(Municipalities of Shelburne,
Barrington and Queens; Towns of
Clark's Harbour, Shelburne, Lockeport
and Liverpool)

Shelburne
P.O. Box 729
B0T 1W0
875-3401

Liverpool, Queens Co.
2nd Floor Reynolds Drug Store
Main Street
B0T 1K0
354-3161

Barrington, Shelburne Co.
1st Floor, Municipal Building
B0W 1E0
637-2428

YARMOUTH-CLARE REGION
(Municipalities of Yarmouth, Clare
and Argyle, Town of Yarmouth)

Yarmouth, Yarmouth Co.
1st Floor, Provincial Building
10 Starrs Road
B5A 2T1
742-7143

Little Brook, Digby Co.
1st Floor, Municipal Building
B0W 1Z0
769-2031

COMMUNITY PLANNING FIELD OFFICES

Provincial Subdivision Office
Central Trust Building
Reeves Street
Port Hawkesbury, Nova Scotia
B0E 2V0
1-625-1772 (Toll Free)

Provincial Subdivision Office
10 Starrs Road
Yarmouth, Nova Scotia
B5A 2T1
1-742-3515